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of the State of California  
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Attorneys for Complainant

BEFORE THE  
CALIFORNIA BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

Case No. AC-2003-27

WILLIAM CHARLES BOETTGER  
1920 Hidden Crest Drive  
El Cajon, California 92019

**STIPULATION IN  
SETTLEMENT AND DECISION**

Certified Public Accountant  
Certificate No. CPA 13434

Respondent.

In the interest of a prompt and speedy settlement of this matter, consistent with the public interest and the responsibility of the California Board of Accountancy (hereinafter the "Board"), the parties submit this Stipulation in Settlement and Decision to the Board for its approval and adoption as the final disposition of the Accusation.

It is hereby stipulated by and between the parties to the above-captioned matter and their respective counsel that the following is true.

1. Respondent WILLIAM CHARLES BOETTGER (hereinafter "respondent"), holds Certificate No. 13434 of Certified Public Accountant. Said certificate was issued by the Board on December 8, 1967. The license is on active status and will expire on September 1, 2005.

1                   2.       On or about May 27, 2003, Carol B. Sigmann, in her official capacity as  
2 the Executive Officer of the Board, and as the Complainant, issued on behalf of the Board an  
3 Accusation, Case No. AC-2003-27, setting forth causes for discipline of the Certified Public  
4 Accountant license held by respondent (hereinafter the "Accusation"). The Accusation was duly  
5 and properly served upon respondent. On or about June 5, 2003, respondent submitted a Notice  
6 of Defense to the Accusation, Case No. AC-2003-27. A true and correct copy of the Accusation,  
7 Case No. AC-2003-27, is attached hereto as Exhibit "A" and is incorporated herein by this  
8 reference.

9                   3.       Complainant Sigmann is represented in this matter by Bill Lockyer,  
10 Attorney General of the State of California, by and through Richard D. Garske, Deputy Attorney  
11 General.

12                  4.       Respondent is represented in this matter by Paul W. Smigliani, attorney at  
13 law.

14                  5.       Respondent has received and read the Accusation in Case No. AC-2003-  
15 27, presently pending before the Board.

16                  6.       Respondent understands the nature of the charges alleged in the  
17 Accusation and that the charges and allegations constitute cause for imposing discipline upon his  
18 license to practice as a Certified Public Accountant in California. Respondent is fully aware of  
19 his right to a hearing on the charges and allegations contained in the Accusation and the right to  
20 request reconsideration or appeal, as well as all other rights accorded him pursuant to the  
21 California Business and Professions Code and Government Code. Respondent freely and  
22 voluntarily waives all of these rights.

23                  7.       Respondent understands that he has the right to use compulsory  
24 process to procure the presence of witnesses at a hearing on the Accusation or to procure  
25 documentary evidence to be presented on his behalf, and that by entering into this Stipulation,  
26 respondent gives up the right to compulsory process.

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1                   8.       Respondent understands that at a hearing, he could introduce relevant  
2 testimony and exhibits on his own behalf and in mitigation, including exculpatory evidence. At a  
3 hearing, respondent would have the opportunity to rebut the evidence against him. Respondent  
4 understands that by entering into this Stipulation, he gives up the right to call witnesses or  
5 introduce evidence on his own behalf or in mitigation, or to rebut the evidence against him.

6                   9.       Respondent admits the truth of each and every allegation in the  
7 Accusation, Case No. AC-2003-27, and agrees that he has therefore subjected his license to  
8 discipline. Respondent agrees to the Board's imposition of penalty, as set forth in the Order  
9 below.

10                  10.       Admissions made by respondent herein are for the purposes of this  
11 proceeding, for any other disciplinary proceedings by the Board, and for any petition for  
12 reinstatement, reduction of penalty, or application for relicensure, and shall have no force or  
13 effect in any other case or proceeding.

14                  11.       It is understood by respondent that, in deciding whether to adopt this  
15 Stipulation, the Board may receive oral and written communications from its staff and the  
16 Attorney General's office. Communications pursuant to this paragraph shall not disqualify the  
17 Board or other persons from future participation in this or any other matter affecting respondent.  
18 In the event this settlement is not adopted by the Board, the Stipulation will not become effective  
19 and may not be used for any purpose, except for this paragraph, which shall remain in effect.

20                  12.       The parties agree that facsimile copies of this Stipulation, including  
21 facsimile signatures of the parties, may be used in lieu of original documents and signatures. The  
22 facsimile copies will have the same force and effect as original signatures.

23                  13.       In consideration of the foregoing admissions and findings, the parties  
24 agree that the Board may, without further notice or formal proceedings, issue and enter an Order  
25 as follows.

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1 **ORDER**

2 A. IT IS HEREBY ORDERED that Certified Public Accountant Certificate  
3 No. 13434, issued to WILLIAM CHARLES BOETTGER, is revoked. However, the revocation  
4 is stayed and respondent is placed on probation for five (5) years upon the following terms and  
5 conditions.

6 1. **SUSPENSION**

7 Certified Public Accountant Certificate No. 13434 issued to respondent  
8 WILLIAM CHARLES BOETTGER is suspended for forty-five (45) days. During the period of  
9 suspension, respondent shall engage in no activities for which certification as a Certified Public  
10 Accountant or Public Accountant is required, as described in Business and Professions Code,  
11 Division 3, Chapter 1, Section 5051.

12 2. **OBEY ALL LAWS**

13 Respondent shall obey all federal, California, other states' and local laws,  
14 including those rules relating to the practice of public accountancy in California.

15 3. **SUBMIT WRITTEN REPORTS**

16 Respondent shall submit written reports to the Board within ten (10) days of  
17 completion of each quarter on a form obtained from the Board. Respondent shall submit, under  
18 penalty of perjury, such other written reports, declarations, and verification of actions as are  
19 required. These declarations shall contain statements relative to respondent's compliance with  
20 the terms and conditions of probation. Respondent shall immediately execute all release of  
21 information forms as may be required by the Board or its representatives.

22 4. **PERSONAL APPEARANCES**

23 Respondent shall, during the period of probation, appear in person at  
24 interviews/meetings as directed by the Board or its designated representatives, provided such  
25 notification is accomplished in a timely matter.

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1                   **5. COMPLY WITH PROBATION**

2                   Respondent shall comply fully with the terms and conditions of the probation  
3 imposed by the Board and shall cooperate fully with representatives of the Board in its  
4 monitoring and investigation of respondent's compliance with probation terms and conditions.

5                   **6. PRACTICE INVESTIGATION**

6                   Respondent shall be subject to, and shall permit, a practice investigation of  
7 respondent's professional practice. Such a practice investigation shall be conducted by  
8 representatives of the Board, provided notification of such review is accomplished in a timely  
9 manner.

10                  **7. COMPLY WITH CITATIONS**

11                  Respondent shall comply with all final orders resulting from Citations issued by  
12 the Board.

13                  **8. TOLLING OF PROBATION FOR OUT-OF-STATE**  
14                               **RESIDENCE/PRACTICE**

15                  In the event respondent should leave California to reside or practice outside this  
16 State, respondent must notify the Board in writing of the dates of departure and return. The  
17 period of non-California residency or practice outside the State shall not apply to reduction of the  
18 probationary period, or of any suspension. No obligation imposed herein shall be suspended or  
19 otherwise affected by such period of out-of-state residence or practice, except at the written  
20 direction of the Board.

21                  **9. CONTINUING EDUCATION COURSES**

22                  Respondent shall complete forty (40) hours of professional education courses in  
23 accounting and auditing as specified by the Board or its designee prior to October 1, 2006. This  
24 requirement shall be in addition to the continuing education requirements for licensing.

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1                   **10.    REVIEW OF WORK PAPERS AND FINANCIAL STATEMENTS**

2                   During the period of probation, the work papers and financial statements for any  
3 audits performed by respondent shall be reviewed by a California Certified Public Accountant,  
4 who is approved by the Board or its designed representatives, at respondent's expense before the  
5 release of the audit report.

6                   **11.    COST OF REIMBURSEMENT**

7                   Respondent shall reimburse the Board \$2,321.20 for its investigative and  
8 prosecution costs. The payment shall be within thirty (30) days of the date that the Board's  
9 decision becomes final in this matter.

10                  **12.    VIOLATION OF PROBATION**

11                  If respondent violates probation in any respect, the Board, after giving respondent  
12 notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order  
13 that was stayed. If an Accusation or Petition to Revoke Probation is filed against respondent  
14 during probation, the Board shall have continuing jurisdiction until the matter is final, and the  
15 period of probation shall be extended until the matter is final.

16                  **13.    COMPLETION OF PROBATION**

17                  Upon successful completion of probation, respondent's license will be fully  
18 restored.  
19                  **B.**       This Stipulation shall be subject to the approval of the Board. If the Board  
20 fails to adopt this Stipulation as its Order, the Stipulation shall be of no force or effect for either  
21 party.

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**ENDORSEMENT**

We concur in the Stipulation and Order.

BILL LOCKYER  
Attorney General of the  
State of California

DATED: 2/23/05

RICHARD D. GARSKE  
Deputy Attorney General  
Attorneys for Complainant

DATED: 2/9/05

PAUL W. SMIGLIANT  
Attorney for Respondent

I have carefully read and fully understand the Stipulation and Order set forth above. I understand that in signing this Stipulation, I am waiving my right to a hearing on the charges set forth in the Accusation on file in this matter. I further understand that in signing this Stipulation, the Board may enter the foregoing Order placing certain requirements, restrictions, and limitations on my right to practice public accountancy in the State of California. I agree that a facsimile copy of this Stipulation, including a facsimile copy of my signature, may be used with the same force and effect as the original.

DATED: 2/8/05

WILLIAM CHARLES BOETTGER  
Respondent

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**BEFORE THE  
CALIFORNIA BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA**

WILLIAM CHARLES BOETTGER

1920 Hidden Crest Drive  
El Cajon, California 92019

Certified Public Accountant  
Certificate No. CPA 13434

Respondent.

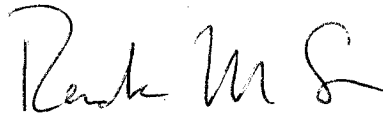
Case No. AC-2003-27

**DECISION AND ORDER**

The attached Stipulated Settlement and Disciplinary Order, in Case No. 2003-27, is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on April 22, 2005.

It is so ORDERED March 23, 2005.



\_\_\_\_\_  
FOR THE CALIFORNIA BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS



**EXHIBIT A**

**ACCUSATION NO. AC-2003-27**

1 BILL LOCKYER, Attorney General  
of the State of California  
2 TIMOTHY L. NEWLOVE, State Bar No. 73428  
Deputy Attorney General  
3 California Department of Justice  
110 West "A" Street, Suite 1100  
4 San Diego, California 92101  
  
5 P.O. Box 85266  
San Diego, California 92186-5266  
6 Telephone: (619) 645-3034  
Facsimile: (619) 645-2061

7 Attorneys for Complainant

8  
9 **BEFORE THE**  
**CALIFORNIA BOARD OF ACCOUNTANCY**  
10 **DEPARTMENT OF CONSUMER AFFAIRS**  
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. AC-2003-27

13 WILLIAM CHARLES BOETTGER  
1920 Hidden Crest Drive  
14 El Cajon, California 92019

**ACCUSATION**

15 Certified Public Accountant  
Certificate No. CPA 13434

16 Respondent.  
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19 Complainant alleges:

20 1. The Complainant, Carol Sigmann, is the Executive Officer of the California  
21 Board of Accountancy (hereinafter the "Board") and makes this Accusation solely in her official  
22 capacity.

23 2. On December 8, 1967, the Board issued to respondent WILLIAM  
24 CHARLES BOETTGER (hereinafter "BOETTGER") a certificate, No. 13434, of Certified  
25 Public Accountant, to practice accountancy in the State of California pursuant to the  
26 Accountancy Act, Division 3, Chapter 1, section 5000 et seq., of the California Business and  
27 Professions Code. Said certificate is currently in full force and effect and expires subject to  
28 renewal on August 31, 2003.

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1 based on an appraisal by an "authority in Nicaragua." In February 1995, the property  
2 was written off as worthless when it was determined that Imexa did not own the property  
3 and that the Nicaraguan government had canceled Imexa's exploration rights.

4 b. In July 1994, Madera entered into an agreement to acquire, among  
5 other things, 478,000 acres of timber producing property located in the Brazilian rain  
6 forest, which it valued at \$27 million. The only support for the transaction was a  
7 "transfer agreement" executed by the seller.

8 Madera realized after the acquisition that due to logistical problems it was  
9 not economical to harvest timber and transport it. Madera did not write down the value  
10 of the property even though it knew that no potential income would be derived from the  
11 property.

12 c. Madera entered into various "consulting agreements" with officers and  
13 directors of Madera and companies controlled by them. None of the consulting  
14 agreements were disclosed as related party transactions in filing with the Commission.

15 d. The balance sheet of EMB included an asset "land held for sale" valued  
16 at \$3.9 million, which accounted for 94% of EMB's assets and all of its stockholders'  
17 equity. An appraiser concluded that the market value of the land was \$415,000, and  
18 projected net income from the assumed sale of water producing rights over a ten-year  
19 period to be \$3.9 million. Since EMB did not intend to develop the property but was  
20 simply holding the property for resale, the land should have been recorded at \$415,000.  
21 Instead, EMB, with respondent's concurrence, valued the land at \$3.9 million.

22 8. The Order of the Securities and Exchange Commission further noted that,  
23 in the conduct of these audits, respondent BOETTGER was responsible for specific departures  
24 from auditing standards relating to the Madera International, Inc. audits for the years ended  
25 March 31, 1996-1998, and the EMB Corporation audits for the five months ended February 29,  
26 1996, and the years ended September 30, 1996-1997, as follows:

27 Madera Audits

28 a. Failed to properly plan and supervise the audits.

b. Failed to obtain evidence of the ownership and valuation of an investment in Nicaraguan timber producing property.

c. Failed to disclose related party transactions.

## EMB Audits

Failed to obtain sufficient evidential matter concerning the valuation of the "land held for sale" and "Investment in Joint Venture" assets.

9. The Order described in paragraph 5 was served upon respondent BOETTGER on or about September 19, 2001. On or about January 31, 2002, in a letter addressed to the California Board of Accountancy, respondent informed the Board about the Order.

### FIRST CAUSE FOR DISCIPLINE

## REVOCATION OF THE RIGHT TO PRACTICE BEFORE A GOVERNMENTAL BODY

10. Complainant incorporates herein by this reference the preamble and each of the allegations set forth in paragraphs 1 through 8 hereinabove.

11. Business and Professions Code § 5100(h) [formerly Business and Professions Code § 5100(g)] provides that unprofessional conduct under the Accountancy Act includes the suspension or revocation of the right to practice before any governmental body or agency.

12. The certificate of Certified Public Accountant held by respondent BOETTGER is subject to discipline under Business and Professions Code §5100(h) [formerly Business and Professions Code § 5100(g)], in that on September 19, 2001, the Securities and Exchange Commission of the United States of America permanently denied respondent's privilege of appearing and practicing before the Commission as an accountant for reasons that are substantially related to the qualifications, functions and duties of an accountant, as described in paragraphs 5, 6, 7 and 8 hereinabove.

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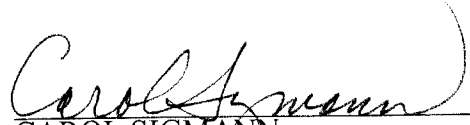
1 PRAYER

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3 WHEREFORE, the Complainant requests that a hearing be held on the matters  
4 herein alleged, and that following said hearing, the Board issue a decision:

5 a. Revoking, suspending or otherwise imposing discipline upon Certified  
6 Public Accountant Certificate No. 13434, heretofore issued to WILLIAM CHARLES  
7 BOETTGER; and

8 b. Taking such other further action as may be deemed proper.  
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10 DATED: May 27, 2003.

11   
12 CAROL SIGMANN  
13 Executive Officer  
14 California Board of Accountancy  
15 Department of Consumer Affairs  
16 State of California

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27 Complainant  
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